

**REAL ESTATE APPRAISERS BOARD MEETING  
MINUTES  
MADISON, WI  
OCTOBER 31, 2001**

**PRESENT:** Paul "Rick" Vozar, Gary Cuskey, LaMarr Franklin, Mark Kowbel, Mary Reavey (teleconference-left at 10:55 a.m.), Roger Roslansky

**EXCUSED:** Patrick Buckett  
Katharine Hildebrand (attending conference in Washington, D.C.)

**STAFF PRESENT:** Ruby Jefferson-Moore, Grace Schwingel and Judy Mender

**CALL TO ORDER**

**MOTION:** Rick Vozar called the meeting to order at 9:40 a.m.  
A quorum of 6 members was present.

**AGENDA**

**MOTION:** Gary Cuskey moved, seconded by LaMarr Franklin, to approve the agenda. Motion passed unanimously.

**MINUTES (8/2201)**

**MOTION:** LaMarr Franklin moved, seconded by Mark Kowbel, to approve the minutes as published. Motion carried unanimously.

**ADMINISTRATIVE REPORT**

**Katharine Hildebrand, Bureau Director**

Katharine Hildebrand was attending the AARO (Association of Appraiser Regulatory Officials) Fall Conference in Washington, D.C., so was not able to attend the board meeting. She will provide a report on the AARO Conference at the next meeting.

• **Roster**

Patrick Buckett, LaMarr Franklin and Rick Vozar are currently serving as screening panel members. At the January meeting, when Board Officers are elected, the Board will select new members to serve on the screening panel.

• **2002 Meeting Dates**

The Board felt that four months was too long to go between meetings and decided to schedule another meeting before the next regularly scheduled meeting in February. The Board will meet in January on the same date as the screening panel. It was noted that the same situation will arise when scheduling meetings in 2003 with the last meeting of 2002 being held in October. It was suggested that the first meeting of 2003 should be scheduled for January.

**MOTION:** Mark Kowbel moved, seconded by LaMarr Franklin, to accept the 2002 meeting schedule with the addition of a January 16th meeting at 9:30 a.m. and having the screening panel meet in person rather than having it held as a telephone conference. Motion carried unanimously.

- **Regulatory Digest**

It was noted that Roger Roslansky's name needs to be added as the public member on the roster of board members.

- **Summary Reports on Pending Court Cases, Disciplinary Cases and Administrative Rules**

Noted.

- **To-Pass Folder**

Noted.

## **BOARD MEMBER ACTIVITY**

This morning, LaMarr Franklin received Senate confirmation of his reappointment as a public member, and Mark Kowbel received Senate confirmation for his first term as a professional licensed appraiser member of the Board.

## **PRACTICE ISSUES**

### **Over-Evaluation**

Noted

### **Property Flipping**

Senator Gwendolynne Moore is sponsoring legislation on property flipping. Hildebrand will fax copies of Senator Moore's proposed bill draft to Board members when it is received in the Department.

- **Update on Current Court Cases, Vozar**

There are 4-5 legal actions pending against appraisers in Milwaukee County.

- **HUD Proposed Rules**

Comments on HUD proposed rules are due on Monday, November 5th. The Board felt the public would be better protected if the six-month restriction on sales, under proposed statute 203.37a to be eligible for FHA financing, were extended to one year.

**MOTION:** Mary Reavey moved, seconded by LaMarr Franklin, to have the Board write a letter to HUD requesting that the proposed rule relating to section 203.37a, be revised to state that there be no resale within the previous one-year period, rather than a six-month period. Motion carried unanimously.

The letter to HUD was written and mailed October 31, 2001 after the meeting.

**Fast-Track Appraisals, Vozar**

There was a discussion on appraisals that are done by unlicensed appraisers who do not follow standard inspection procedures, spending 1-2 minutes doing an inspection without looking at all the rooms. This individual returns to the office and gives his information to a certified appraiser at the office, who then writes up the appraisal report and turns it in to the bank. The consumer is then charged the full fee of an appraisal. Legal Counsel, Jefferson-Moore, noted that in Wisconsin an inspection is not required, and under USPAP rules an inspection is not required. So, at this point, while these fast-track appraisals are not illegal, there was some concern that this type of activity gives the appraisal industry, as a whole, a bad name by charging a full fee for a service that is not done properly.

There was a discussion as to whether the Board would like to make a change in the statutes to deal with this issue. There was also a discussion of the distinction between the terms, “inspection,” “observed” and “market analysis” that are used to refer to similar procedures based on the license held by an individual. Jefferson-Moore will look at the statutes to see if it is feasible to change the statutes to deal with this issue, and report back to the Board at its next meeting. If the Board were to change the statutes to deal with this issue, Wisconsin would then not be consistent with USPAP rules, although it could change the statutes and use the supplemental rules. The Board needs to consider whether this is a widespread problem, or if a small percentage of professionals are engaged in questionable practices. Another consideration is that legislation dealing with a situation that exists in one specific urban area could have an adverse affect on smaller, suburban and rural communities. This issue will be put on the Board's next agenda as statutory revisions under legislative issues.

**LEGISLATION**

None

## **ADMINISTRATIVE RULES**

The Board discussed the following rules with Legal Counsel, Ruby Jefferson-Moore.

### **Revisions to ch. RL 80-87, Code - Approval of Report to Legislature**

**MOTION:** Gary Cuskey moved, seconded by Mary Reavey, to approve CR 01-098 which deals with the 2001 edition of USPAP. Motion carried unanimously.

### **Revisions to ch. RL 87, 2001 Edition of USPAP - Approval of Report to Legislature**

**MOTION:** Mary Reavey moved, seconded by Roger Roslansky, to approve CR 01-012. Motion carried unanimously.

### **Revisions to ch. RL.87, 2002 Editions of USPAP - Approval of Report to Legislature**

**MOTION:** Mary Reavey moved, seconded by Gary Cuskey, to approve the Clearinghouse Report for CR 01-100 to put Wisconsin in line with AQB. Motion carried unanimously.

## **APPRAISAL SUBCOMMITTEE**

### **ASC's October 200 Field Audit Report, 1/11/01, Watson**

### **Wisconsin's Response to October 2000 Field Audit Report, 3/9/01**

### **ASC's Reply to Wisconsin's Response, 3/21/01, Henson**

The Board reviewed and discussed the letter from Thomas Watson and the Board's response to him regarding the need for Wisconsin to implement a process to validate education claimed on appraiser licensing and certification applications. The Board approved the conducting of random audits of renewal applications to verify that credential holders have completed the course work claimed on their applications.

The Board appointed an Education Committee to review the education requirements. Members of the committee are: Mary Reavey, Chair; Mark Kowbel and Rick Vozar. Hildebrand and Jefferson-Moore will also attend this meeting. Reavey will set a date for the committee to meet. It is anticipated that the committee would only need to meet once.

## **APPRAISAL FOUNDATION**

### **Appraisal Standards Board**

- **2002 Edition of USPAP**

An order has been placed for the 2002 edition of USPAP and it will be given to public members as soon as they are received in the Department.

- **USPAP Q & A - June, July, August and September 2001**

USPAP Questions and answers are located on the foundations' website (see copy of The Appraisal Foundation web home page attached.)  
[http://www.appraisalfoundation.org/html/standards.asp?FileName=asb\\_uspap](http://www.appraisalfoundation.org/html/standards.asp?FileName=asb_uspap)

**Appraisal Qualification Board**

Noted.

**ASSOCIATION OF APPRAISER REGULATORY OFFICIALS**

**AARO Fall Conference Report, Hildebrand**

Hildebrand was on her way home from the AARO Conference today and will provide a report to the Board on the AARO Fall Conference at the next Board meeting in January.

**AARO Correspondence and Information**

None.

**TEMPORARY PRACTICE**

Nothing to report.

**EXAMINATION ISSUES**

Darwin Tichenor gave an update on the national examination process. A new vendor, PSI Examination Services out of California, was selected for the national exam. The exam fee is currently \$126. With the new vendor, PSI, the exam fee will be reduced to \$104 as of April 1, 2002, when the new contract goes into effect. Judy Mender and Darwin Tichenor will be working with the new vendor to set up the procedures for informing candidates, setting up a candidate, registration for the examination, etc. There are three exams at the national level for licensed, residential/certified residential and certified general. Each exam is a computer exam, and each is slightly different but have some overlap. Applicants select one of the three national exams, and Wisconsin has the state stats. and rules exam. PSI provides its own examination sites in Madison, Milwaukee and several other locations in Wisconsin. Tichenor will find out if the exam results are available immediately to applicants with PSI. It was suggested that a brief announcement be put in the next Regulatory Digest about the new exam provider, PSI.

**MISCELLANEOUS CORRESPONDENCE**

Jefferson-Moore referred to correspondence and other items that were in each Board member's red folder for informational purposes.

### **NEW BUSINESS**

None.

### **PRESENTATION OF PROPOSED STIPULATIONS BY DIVISION OF ENFORCEMENT**

No discussion in open session.

### **CONVENE TO CLOSED SESSION**

**MOTION:** Gary Cuskey moved, seconded by Mary Reavey, to convene to the closed session to consider discipline of persons licensed by the board or the investigation of charges against such persons [s. 19.85(1)(b), Stats.] and, to consider individual histories or disciplinary data [s. 19.85(1)(f), Stats.] Motion carried by a roll call vote: Rick Vozar-yes, Gary Cuskey-yes, LaMarr Franklin-yes; Mark Kowbel-yes; Mary Reavey-yes, Roger Roslansky-yes; Patrick Buckett-no

Closed session convened at 12:20 p.m.

The Board deliberated on the stipulations involving Thomas E. Hess and Ralph H. Bauch, and on the case summaries presented for closing.

### **RECONVENE INTO OPEN SESSION**

**MOTION:** Gary Cuskey moved, seconded Roger Roslansky, to reconvene the meeting in Open Session at 12:40 p.m. Motion carried unanimously.

### **VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION**

#### **STIPULATION**

**MOTION:** Gary Cuskey moved, seconded by Mary Reavey, to accept the stipulation and the final decision and order relating to Thomas Hess 01-APP 016, as presented by DOE. Motion carried unanimously.

**MOTION:** Gary Cuskey moved, seconded by Mark Kowbel, to accept the stipulation and the final decision and order relating to Ralph Bauch, 00 APP 010, as presented by DOE. Mary Reavey, case advisor, abstained. Motion carried.

### **ADJOURNMENT**

**MOTION:** Mary Reavey moved, seconded by Gary Cuskey, to adjourn the meeting at 12:45 p.m. Motion carried unanimously.

**Next Meeting**  
January 16, 2002  
**(subsequently rescheduled to January 30, 2002)**

DATE: December 4, 2001

TO: Katharine Hildebrand

FROM: Grace Schwingel

SUBJECT: Real Estate Appraisers, October 31, 2001, To Do List

1. **Hildebrand** will report on the Fall AARO Conference at the January meeting.
2. **Schwingel** will make a note to adjust the 2003 Meeting Schedule, to have the first meeting in January 2003, to avoid going four months between meetings.  
**Schwingel** will notify Roxanne Peterson to have Roger Roslansky's name added as the public member on the roster of board members in the Regulatory Digest.
3. **Hildebrand** will fax copies of Senator Gwendolynne Moore's proposed bill draft on property flipping to Board members when it is received in the Department.
4. **The Board** will write a letter to HUD requesting that the proposed rule relating to section 203.37a, be revised to state that there be no resale within the previous one-year period, rather than a six-month period.
5. **Jefferson-Moore** will look at the statutes to see if it is feasible to change the statutes to deal with the issue of fast-track appraisals and report back to the Board at its February meeting under legislative issues.
6. **Hildebrand** will put a brief announcement in the next Regulatory Digest about the new exam provider, PSI.
7. **Reavey** will set a date for the Education Committee to meet. It is anticipated that the committee would only need to meet once to review the education requirements.
8. **Darwin Tichenor** will find out if the exam results are available immediately to applicants with the new vendor, PSI.
9. **Judy Mender and Darwin Tichenor** will be working with the new vendor to set up the procedures for informing candidates, setting up a candidate, registration for the examination, etc.
10. **Items for Next Agenda:**
  - Election of Board Officers and Screening Panel members.
  - The issue of fast-track appraisals will be put on the Board's next agenda as statutory revisions under legislative issues.